

## PROCEDURES

### Responsibilities of Federal Agencies Under Title XV of the Social Security Act - Unemployment Compensation for Federal Employees

#### 1. Title XV of the Social Security Act, as Amended

Public Law 767, 83rd Congress, added title XV to the Social Security Act. This title, which establishes an unemployment compensation program for Federal civilian workers, will be administered by the Secretary of Labor. The Secretary is authorized to enter into agreements with State employment security agencies under which they, as agents of the United States, will pay title XV compensation to Federal workers under the terms of their respective unemployment compensation laws. If any State agency does not enter into such an agreement, the Secretary of Labor will pay the title XV compensation. Upon the request of a State agency or the Secretary, Federal agencies which formerly employed a worker are required to furnish certain information about him to such State agency or the Secretary, as the case may require.\* "State agencies" includes the employment security agencies of each of the 48 States, the District of Columbia, the Territories of Alaska and Hawaii, the Department of Labor of Puerto Rico, and the Employment Service of the Virgin Islands.

#### 8. Request for Wage and Separation Information (Form ES-931)

As soon as an individual files a claim with a State agency, the State agency will forward a Form ES-931 to each Federal agency for which the claimant worked in a specified period. Immediately upon receipt of the Form ES-931, the Federal agency will make the following findings:

- (1) Whether the claimant named on the Form has performed "Federal service," as defined, for the Federal agency during the period specified,
- (2) The period during which such service was performed,
- (3) The amount of remuneration for such service, and
- (4) The reason for termination of such service.

These findings, if made in accordance with the Secretary's regulations, will be final and conclusive unless the claimant files, within specified time limits, a request for additional information or reconsideration. (See section 11 below)

\*Hereafter in these procedures reference is made only to State agencies and not to the Secretary. Only if there should be no agreement with a State agency would "Secretary" be substituted for "State agency."

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3. Performance of "Federal Service" by Claimant in Base Period

State unemployment compensation laws provide compensation for wage loss suffered by unemployed individuals who have had substantial attachment to the labor force. This attachment is measured by the extent to which a person has worked in covered employment in a specified 1-year period, known as the base period. This base period varies among the States. In some States it is the 52 weeks immediately preceding the week of the claim; in others it is a 12-calendar-month period beginning as much as 29 months prior to the date of the claim (but in no case is Federal service performed prior to January 1, 1953, to be included); in still others it is the first four of the last five completed calendar quarters preceding the filing of the claim. To be entitled to compensation under title XV an individual must have performed "Federal service" within his base period as determined under the applicable State law. This period will be specified by the State agency on the Form ES-931. Each Federal agency for which a claimant worked during his base period must make a finding whether he performed "Federal service" for it during such period.

While under title XV the Federal agency is required to make a finding with respect to the coverage of each claimant who worked for the agency in the specified period, administrative feasibility dictates that each Federal agency should initiate immediately a review of its entire organization to determine: (a) whether the agency or any of its constituent units is excluded from the provisions of the Act, and (b) what groups of its employees (if any) are excluded by reason of any of the provisions of paragraphs (1) to (13) of section 1501(a) of title XV. If such determinations are made promptly, and if administrative, personnel, and payroll offices of the agency are advised thereof prior to January 1, 1955, the orderly and expeditious processing of findings by the Federal agency will be facilitated.

Some of the determinations made by a Federal agency with respect to the coverage of its employees under the Federal Insurance Contributions Act (Old-Age and Survivors' Insurance) will be helpful in making determinations under title XV. However, the definition of "Federal service" in title XV is not identical with the definition of "Federal service" in the Federal Insurance Contributions Act:

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- a. The Federal Insurance Contributions Act covers all instrumentalities of the United States, whereas title XV covers only instrumentalities wholly owned by the United States.
- (b) With respect to service performed prior to January 1, 1955, seven of the exceptions to coverage under title XV (those specified in paragraphs (6) through (12) of section 1501(a) will be the same as exceptions to coverage under the Federal Insurance Contributions Act. With respect to service performed after January 1, 1955, only two of the exceptions to coverage under title XV (those specified in paragraphs (9) and (10) of section 1501(a) will be the same as exceptions to coverage under the Federal Insurance Contributions Act.

#### 4. Wages for Federal Service in Base Period

Under State employment compensation laws, a claimant's weekly benefit amount and the duration of his benefits for a year are determined on the basis of his remuneration for covered employment during his base period. The period within which an individual may receive benefits based on his wages in a particular base period is called a "benefit year." Under some State laws a benefit year is a uniform 12-calendar-month period established for all claimants, and under others it is the 52-week period immediately following the week in which the claimant filed his first claim.

Since a Federal worker's benefit amount and duration will be determined under the provisions of the applicable State law, it is necessary for each Federal agency for which a claimant worked during his base period to ascertain his "Federal wages" and to report such wages to the State agency.

"Federal wages" are defined as "all remuneration for Federal service including cash allowances and remuneration in any medium other than cash." Reporting remuneration in cash should cause little difficulty. It should be noted, however, that such remuneration should include all payments for sick leave and lump-sum payments for terminal annual leave. Reporting "remuneration in any medium other than cash" may be more troublesome. An excellent test, however, would be whether the Federal agency has placed a cash value on what has been furnished to the worker in reporting his gross earnings for Federal income tax purposes. The wages to be reported are gross wages before deductions for social security, retirement, or withholding tax. Lump-sum payments for terminal annual leave must be allocated over the period subsequent to separation for which the employee is considered to have received the payment and must be reported in the period to which they are allocated.

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5. Reason for Termination of Federal Service

Each State unemployment compensation law sets forth the conditions under which benefits are payable to individuals who have had sufficient base-period employment. The conditions vary among the States. All State laws, however, require a claimant to be able to work and to be available for work, that is, to be in the labor force. While some State laws provide a disqualification for other reasons, they all provide a disqualification if the worker quit his job voluntarily without good cause, or was discharged for misconduct connected with his work, or refuses suitable work without good cause.

The form of a disqualification for a title XV claimant depends on the provisions of the applicable State law. Some State laws require only a postponement of benefit payments. Others require a reduction in the maximum potential amount payable in the benefit year and still others require a combination of postponement and reduction. Reduction of benefits sometimes amounts to complete cancellation of benefit rights for a benefit year.

Under the provisions of title XV the Federal agencies are responsible for furnishing to a State employment security agency the facts concerning the reason for separation of a Federal employee who files a claim for unemployment compensation. On the basis of these facts the State agency will determine whether the individual is entitled to compensation. The information furnished to the State agency should be in sufficient detail to permit the State agency to apply its law and to permit the worker to know the basis for the findings by the Federal agency. If the information furnished is the same as that required by page RL-30 to RL-30.02 of the Federal Personnel Manual, to be entered under item 21 on Standard Form 50, Notice of Personnel Action, it will generally be sufficient. Federal agencies which are not governed by the Federal Personnel Manual should obtain copies of these pages for their personnel who prepare the Notices of Personnel Action, from which data will be taken to complete Forms ES-931.

It is the responsibility of the Federal agency to supply the facts as to reason for termination of an individual's employment. It is the State agency's responsibility to apply the provisions of its unemployment compensation law to those facts.

6. Time Limit for Returning Forms ES-931

The regulations require each Federal agency to return completed Form ES-931 to the requesting State agency within 4 working days of its receipt. This time limit must be strictly observed.

The prompt payment of unemployment compensation to unemployed Federal workers depends on the States' having the information on which to base their determinations before an individual claims for a compensable week of unemployment, i.e., a week for which the individual may receive benefits. Most State laws provide a waiting week during which a claimant must meet the conditions for payment but which is not compensable; a few States do not require a waiting week and pay benefits for the first week of unemployment. In order to provide time for the mailing of the Forms ES-931 to the Federal agency, its returning the completed form, and the State agency's processing a claim on time for delivery of the determination to the claimant when it is due, the Federal agency must meet the 4-day time limit specified.

The success or failure of this program will depend largely on whether the Federal agencies furnish adequate information promptly.

If, however, the 4-day time limit cannot be met, the Federal agency should immediately so advise the requesting State agency with an estimate of the day by which the completed form will be returned.

7. Notice to Separated Federal Employee Standard Form No. 8

A separated Federal employee needs information concerning his potential rights to unemployment compensation and how to claim it. Standard Form No. 8 (see attached exhibit A) explains to the employee that he may have rights to unemployment compensation, tells him to go to the nearest employment office, and describes the documents he should take with him when he files a claim. It also contains basic information -- such as the place where the individual's payroll records are maintained -- to enable the State employment security agency to know where to send a Form ES-931. Standard Form -- is to be given to each employee when he is terminated, transferred, or placed in nonpay status for an extended period, as, for example, a period of 14 or more days.

Each Federal agency should requisition from the General Services Administration supplies of Standard Form No. 8 sufficient for its needs. The purchase order to the Federal Supply Service should show the item No. 28-S-8-11, and the number of forms and the delivery points desired. Overprinted payroll office addresses on the form cannot be furnished in time to provide for distribution by January 1, 1955. Therefore, each agency must make arrangements for inserting the payroll office addresses on the forms in its initial order by multilith, mimeograph, rubber stamp, or other means. On subsequent orders the payroll office addresses may be overprinted if the order is for a sufficient quantity. If the quantity ordered does warrant overprinting, copy should be submitted through the Region 3 Federal Supply Service to the Government Printing Office in accordance with existing procedures.

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The form requires no entries at the time of issuance. Care should be taken to assure that every employee who should receive such a notice gets it promptly, and that the notice given to him contains the correct address of the place where his payroll records are maintained.

8. Control and Processing of Forms ES-931

The Federal agency will receive Form ES-931 from a State employment security agency when a claim for title XV compensation has been filed by a Federal employee. The State agency will submit the Form ES-931 in the number of copies required for its use plus an additional copy to be retained by the Federal agency. This copy should be maintained in a separate alphabetical file for a period of 2 years. It will then be available for review in case of a request for additional information or reconsideration or if a conflicting request is received for an assignment of Federal service and wages.

The payroll office of the Federal agency will be responsible for completing all Forms ES-931 and for maintaining a control over all such forms received. To expedite action, Forms ES-931 should be routed directly to the payroll office by the mail unit of the Federal agency. Immediately upon receipt of a Form ES-931, a control should be established. An agency's regular mail or other control forms may be used, or this control may be a simple 3" x 5" card with the claimant's name, date of birth, social security account number, and date of receipt of the request. The control cards or forms should be filed by date so that there can be a follow-up on the fourth day if the completed forms have not been forwarded to the State agency. The completed Forms ES-931 should clear through this control, and control cards should be removed as completed Forms ES-931 are forwarded to the appropriate State agency.

To save time the payroll office should return completed Forms ES-931 directly to the State agency without any transmittal sheets or further clearance and approval. All Forms ES-931 are designed so that they may be returned in a window envelope.

The separation information for the Form ES-931 will be obtained from the Notification of Personnel Action, Standard Form 50 (or its equivalent), on file in the payroll office. The payroll office should furnish only information of record. In order that full and accurate information be furnished, it is essential that the reason for separation be stated clearly and completely as shown in the "Remarks" section of the Standard Form 50 (as required by RL-30 to RL-30.02 of the Federal Personnel Manual).

The payroll information necessary to complete Form ES-931 will be obtained from the Individual Pay Card (or equivalent document). This card is maintained in the payroll office.

If records necessary to complete the Form ES-931 cannot be located because the employee is unknown to the office of the Federal agency receiving the Form ES-931, contact should be made immediately with other personnel and payroll offices of the agency (field or departmental) which might have records covering the employment of the individual. If another office has the desired records, Form ES-931 should be forwarded to that office for completion, and the requesting State agency should be advised of the transfer. Only after thorough search for the records has proved fruitless will the Form ES-931 be returned to the State agency with the notation "No Record."

If any of the records necessary to complete the Form ES-931 have been forwarded to a records center, a request for the information should be made of the records center by teletype. Records centers are to give priority to these requests.

The request by teletype to the records center in St. Louis should follow this format:

Chief, Federal Records Center  
1724 Locust Street  
St. Louis 3, Missouri

(for all States and Territories except Michigan, New Jersey, New York, Ohio, Utah, and Wisconsin)

U.I. Request wages four calendar quarters beginning           (date)            
and statement of reasons for separation for           (last name --  
first name -- middle initial          , and name under which employed,  
if different, and date of birth).

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(Identify Agency and Bureau in Signature)

(for six States -- Michigan, New Jersey, New York, Ohio, Utah, and Wisconsin)

U. I. Request wages (insert name of State agency transmitting Form ES-931) for period beginning           (date)           and statement of reason for separation for           (last name -- first name -- middle initial          , and name under which employed, if different, and date of birth).

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The records center is familiar with the type of data needed by these six States (see Exhibit C attached) and will furnish usable information to the requesting Federal agency.

The records center will forward the requested data by teletype collect. Forms ES-931 should be completed and returned to the State agency on the basis of the information furnished by teletype.

The teletyped request by the Federal agency is sufficient notice to the records center to forward the applicable pay card or cards (or equivalent documents). When these cards are received, the payroll office of the Federal agency should check them against the retained copy of the Form ES-931 to assure that the form is correct.

9. Completion of Forms ES-931 . (See Exhibit B attached)

Each Form ES-931 received by a Federal agency will have been filled in by the State agency to identify the employee for whom wage and separation information is being requested, and will specify the period for which wage data are wanted and the type of data needed (section 2 of the form).

It is essential to assure that the records used in completing the Form ES-931 are for the individual specified thereon and that the information furnished covers the period specified on the form and only that period.

The State agencies use Social Security account numbers for identification purposes and they will set forth on the Form ES-931 the claimant's social security account number.

The items on the form should be completed as follows:

Item 1a - Complete by checking either "Yes" or "No." If "No" is checked, give explanation, as for example, "excluded because individual is a dollar a year man, section 609.1 (c) (7) of Regulations." In this case if the individual has performed any service for your agency, complete item 3. No other items need be completed.

Item 1b - Fill in the employee's "official station" at the time of his separation. This is the place which appears as "headquarters," or "duty station" if it differs from his "headquarters," on the Notification of



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Personnel Action (Standard Form 50 or its equivalent) terminating his service with the agency. Some agencies or units of agencies use a standard form other than Standard Form 50. Such forms generally specify the individual's "headquarters" or "duty station." Some types of notification, however, do not specify an individual's "headquarters." In such a case the individual's "official station" will be the place of employment designated in the notification.

Item 2

This item relates to "Federal wages." Information will be requested in one of two ways (see attached Exhibits B and C):

- a. Forty-five States will require information concerning wages in each quarter of a specified 1-year period.
- b. Six States will require information as to wages for a specified 1-year period supplemented by information concerning wages by weeks. These States are: Michigan, New Jersey, New York, Ohio, Utah, and Wisconsin.

Complete this section by furnishing wage information for the period requested.

If any wages and periods of service covered by the request have been previously assigned to another State, enter the name of the State to which assigned, and the periods and amounts assigned, in accordance with the instructions on the form.

Item 3a

Enter date of "termination" shown on the Notification of Personnel Action (Form SF-50 or equivalent document).

Item 3b

Enter the last day covered by the lump-sum payment for the employee's terminal annual leave.

The procedure described in the Federal Personnel Manual, Pages L 1-3 and L 1-18.02 for computing terminal annual leave payment is to be followed in establishing such last day.

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Item 3c Enter detailed explanation of the reason for separation (see Section 5 above).

Certification The form should be signed by the person who is responsible for the preparation of the form. He should enter his title and the date of completion of the form.

10. Control of Assignment of Federal Service and Federal Wages.

The regulations require each Federal agency to maintain a control of all assignments of Federal service and Federal wages. To keep this control, the following entries should be made on the Individual Pay card (or an equivalent document), or on the Pay Cards if the period covered by the Form ES-931 appears on more than one card:

- a. A line paralleling the pay periods covered by the request should be drawn down the right margin;
- b. The exact beginning and ending dates of the period covered by the request should be entered at the top and the bottom of the line;
- c. Beside this line should be entered:
  - (1) Total amount of wages assigned, and
  - (2) The State to which assigned.
- d. The date of preparation and the initials of the person preparing the document should be entered below the period-ending date.

If the payroll office has the Individual Pay Card (or equivalent document), the above entries should be made at the time the Form ES-931 is completed. If the Individual Pay Card (or equivalent document) has to be forwarded to the Federal agency by a records center, these entries should be made as soon as the card is received.

The Individual Pay Cards (or equivalent documents) should be retained by the payroll office for at least 30 days after the completed Form ES-931 has been returned to the State agency. If a request for additional information or for reconsideration filed by a claimant is pending, the pay cards should be retained until such request has been processed.

11. Processing of Requests for Information or Reconsideration of Federal Findings, Form ES-934 (See attached Exhibit D.)

Under all State unemployment compensation laws claimants have the right to appeal determinations of entitlement made by the State

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agency to administrative appeals tribunals and then to the courts. Title XV claimants have the same right to appeal to State administrative tribunals and State courts except with respect to the findings required to be made by the Federal agency. Title XV makes such findings final and conclusive unless a claimant makes a request, within the specified time limits, for additional information with respect to, or reconsideration and correction of, any of the findings of the Federal agency. While these requests may be made in any form, the State agencies will suggest that they be made on Form ES-934, Request for Information or Reconsideration of Federal Findings. Any such request will be made through the State agency with which the claim was originally filed.

The State agency will forward any such request to the appropriate Federal agency. To expedite processing, these requests should receive the same direct routing to the payroll office and should be subject to the same control as Forms ES-931. Some items on Form ES-934 will have been completed by the claimant. The claimant may also attach to the form any document which he believes supports his request for additional information or for reconsideration. The payroll office should completely review all of its pertinent records to ascertain if there have been any errors or omissions. If information has been furnished by the claimant, the payroll office should review it against its copy of Form ES-931, and against the employee's original Individual Pay Card (or equivalent document) if the period of service or amount of wages is involved, and against his last Notification of Personnel Action, Standard Form 50 (or its equivalent), if the reason for separation is involved. Any errors should be corrected, of course.

If the claimant's request relates to the reason for separation and there has been no transcription error from the Notification of Personnel Action Standard Form 50 (or its equivalent), or to whether the service was covered under title XV, it should be forwarded to the personnel office for additional information or reconsideration.

If any of the original documents needed in connection with the claimant's request for additional information or for reconsideration are in a records center, they should be requested immediately.

After the requests have been thoroughly considered, the reply portion of the Form ES 934 should be completed by the payroll office on the basis of facts found by it or the personnel office. A Federal agency should promptly comply with

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a request for additional information about the basis for its original findings. If it has no such additional information, or if it is prohibited from disclosing such additional information, it should so indicate. If the claimant requested reconsideration and correction of any of the findings of the Federal agency, it should make reconsidered findings as indicated on the form promptly and should explain the basis for such reconsidered findings.

12. Overpayment

Title XV provides a fine or imprisonment or both for any person who knowingly makes false statements to obtain for himself or for someone else compensation which is not due under the law.

13. Construction of Title XV and Regulations

Any questions as to the construction of title XV or of any of the regulations promulgated thereunder should be submitted to the Bureau of Employment Security, Department of Labor, Washington 25, D. C. If you will use as reference the initials UCFE, the prompt routing of the inquiry to the proper personnel will be facilitated.

14. Quarterly Employment and Payroll Reports

It is planned, subject to the development of satisfactory reporting procedures and approval by the Bureau of the Budget, to request all Federal agencies with employees covered by title XV to furnish quarterly employment and payroll reports to the State and Territorial employment security agencies in each State and Territory in which such covered employees are officially stationed. These reports will show for each Federal installation the number of covered employees on the payroll each month in the quarter, plus the total salary and wages paid to them during the quarter.

This employment and payroll information is needed by the State agencies and the Department of Labor in preparing workload and benefit cost estimates for budget request purposes. In addition, monthly employment data for each Federal installation will enable local employment security offices to plan and render more effective services to the Federal agencies.

There are a number of other uses for this information. The Bureau of Employment Security maintains a weekly series on insured unemployment, including ratios of insured employment to the insured labor force, by State. This is the only indicator available of the relative degree of unemployment in all States. Extension of this series to covered Federal

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workers will require the employment data supplied by the Federal agencies, together with the unemployment data on Federal workers collected by the State agencies as a by-product of their claims-taking operations. Similar ratios are maintained and published on an area basis by most State employment security agencies. The data will also be used to meet more adequately the needs for benchmark data in the State agency-Bureau of Labor Statistics - Bureau of Employment Security current employment statistics programs. Consequently, the reports now collected by the Civil Service Commission for this purpose probably could be discontinued.